



Press Release

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For immediate release

The Federal Open Market Committee decided today to keep its target for the federal funds rate unchanged at 1-1/4 percent.

Oil price premiums and other aspects of geopolitical risks have reportedly fostered continued restraint on spending and hiring by businesses. However, the Committee believes that as those risks lift, as most analysts expect, the accommodative stance of monetary policy, coupled with ongoing growth in productivity, will provide support to an improving economic climate over time.

In these circumstances, the Committee believes that, against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the risks are balanced with respect to the prospects for both goals for the foreseeable future.

Voting for the FOMC monetary policy action were Alan Greenspan, Chairman; William J. McDonough, Vice Chairman; Ben S. Bernanke, Susan S. Bies; J. Alfred Broaddus, Jr.; Roger W. Ferguson, Jr.; Edward M. Gramlich; Jack Guynn; Donald L. Kohn; Michael H. Moskow; Mark W. Olson, and Robert T. Parry.

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